

## **ELEMENT 2: RESPONSIBLE OFFICIALS**

### **Identification of positions and specific individuals responsible for compliance with the Export Administration Regulations.**

**OBJECTIVE:** To ensure that all compliance-related functions, duties and responsibilities in the firm are clearly identified and assigned, and that the positions and incumbents are known, and that the list is routinely updated.

**PROCEDURE:** Initially, each firm involved in the export or reexport of controlled items may wish to analyze its current organizational structure and operations to determine the effective placement of these functions. All efforts should be made, where practicable, to assign export responsibility separately from the sales function to prevent a conflict of objectives. However, sales staff should communicate, to the export control staff, information on the end-user, intended end-use or end-destination of the export. Where possible, the organizational structure of the firm should centralize the key export functions and coordinate export activities with other departments that may become involved in export-related issues (e.g., legal counsel, credit, shipping or contracts).

Personnel assigned export control functions should be given authority commensurate with their responsibilities. Formal lines of communication between the key personnel and others with export-related functions should be established.

Once the export control responsibilities have been assigned, the firm adopting an EMS may want to document the following information:

- ◆ A list and/or organizational chart identifying the employee(s) responsible for each export and export-related function. General export control responsibilities should be listed in brief and the formal coordination between the various functions clearly set forth.
- ◆ A list of the personnel responsible, identified by name, title and telephone number or extension. In order to ensure ongoing compliance in cases of absence, backup personnel should be formally assigned for all key export control related functions. Telephone numbers or extensions should also be provided for these individuals.
- ◆ The list or chart of personnel with export and export-related functions should be distributed throughout the organization.
- ◆ A list identifying the EMS Administrator (or persons with equivalent responsibilities) at the firm's consignees or customers. This may prove especially useful in instances where

customers receive a variety of items or are authorized to resell controlled items in approved reexport territories. If this information is maintained, procedures can be developed to ensure that this list of contacts is updated promptly when changes occur.

**COMMENTS:** The exporter may accomplish these objectives in a variety of ways. The following is provided to assist in development:

- ◆ at large or medium-sized firms, the initial analysis of positions and individuals responsible for export compliance may include the development of an Export Control Unit.
- ◆ information should be maintained in the form of lists and/or organizational charts. Use of lists are superior for presenting specific export control duties, while organizational charts are preferable for illustrating reporting lines and structures. A combination may be most practical. Responsible individuals should be identified by name and/or title.
- ◆ policies, procedures and job descriptions should be written to ensure smooth transitions during personnel turnover. Of key importance during these events are the assignment of backup personnel. A backup should be identified for each position with export-related responsibilities. This information should be promptly updated and disseminated when changes occur.
- ◆ consignees and customers should also be made aware of the name and position of the exporter's EMS Administrator. These firms should be encouraged to direct questions or problems to the Administrator as they arise.

The amount of detail provided in the list of responsible officials may depend on the size of the exporting firm. At a small firm, it is probably not necessary to go into a great amount of detail. However, at a large firm that has many players involved in export control issues, it is very important to clearly identify responsible parties in detail.

